

### Section 5.03

Buyer and Seller will each use its best efforts to always provide the other with as much notice as possible of any changes required in the delivery schedule. At any time during the term of this Contract, except for those Market Hogs scheduled to be delivered within the next twenty-four (24) hours, Buyer has the option to direct Seller to deliver Market Hogs produced under this Contract to slaughter facilities other than Swift & Company, Marshalltown, Iowa, provided that all incremental transportation costs, if any, incurred by Seller because of the directive given by Buyer are paid to Seller by Buyer.

All Market Hogs already scheduled for delivery and loaded on truck(s) for a particular twenty-four (24) hour period must be delivered and accepted at the processing plant already designated by Buyer, e.g., if 800 hogs are scheduled to be delivered to Buyer's Marshalltown, Iowa, plant on a given Tuesday, with delivery to take place the following day (Wednesday), Buyer cannot request a change in that said delivery unless mutually agreeable to Seller and said agreement shall not be unreasonably withheld by Seller. In the event that Seller has not loaded said Market Hogs prior to receiving notice from Buyer of the need to delay shipment to, or divert shipment from, Swift & Company, Marshalltown, Iowa, Seller will delay loading and shipment of said Market Hogs for up to forty-eight (48) hours, or deliver the Market Hogs to other facilities as directed by Buyer. Buyer will unload the hogs in accordance with industry standards giving consideration to all factors affecting unloading (e.g. production requirements, weather, other deliveries, etc.).

## **ARTICLE 6 - VERIFICATION OF HOG QUANTITIES AND QUALITY**

### Section 6.01

Seller will periodically allow Buyer's employee(s) in the Designated Production Facilities to observe the production of Market Hogs, and to verify Seller's performance of its obligations hereunder, so long as prior notice is given to Seller and provided that such operations do not unnecessarily interfere with the operation of the Designated Production Facilities.

Buyer will periodically allow Seller's employee(s) in Buyer's plant(s) to facilitate and observe the handling and processing of the Market Hogs delivered under this Contract so long as prior notice is given to Buyer and provided that such inspections do not interfere with the operations of such facilities.

Buyer shall note on Seller's truck(s) bill(s) of lading, and before said delivering truck(s) leaves Buyer's plant, of the number, if any, of the hogs arriving at Buyer's plant that are diseased, disabled, dead, or fail to conform to the weight specifications under this Contract. Buyer may, at its option, dispose of or sell such hogs according to the then current program, at Buyer's plant, for disposal of non-conforming hogs; provided, however, that Seller shall receive all proceeds and shall be responsible for all costs, resulting from such disposal or sale.